Counterpunch

A Report from the Capital

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RON BROWN'S AFFAIR WITH HAITI

Commerce Secretary and former Democratic National Chairman Ron Brown has always maintained that his past lobbying on behalf of Jean-Claude Duvalier was strictly a business deal and that his client was the Haitian government, not Baby Doc's dictatorship. Brown once told a skeptical Jack Anderson that he had "apprehensions" about working for Duvalier's regime but believed he could "do more good than harm."

However, information obtained by ***Counterpunch***, including a lengthy memorandum in which Brown bragged to Duvalier about his success in winning American economic aid, reveals that the commerce secretary has seriously downplayed his intimate links with Baby Doc's government. Further information came from prominent Haitians living in the United States. They say that Brown developed personal ties to key Duvalierists, some with whom he still maintains close relationships.

Among the most intimate of Brown's Haitian companions is Lillian Madsen, who lives in an elegant Washington house purchased by the commerce secretary. A well-connected former Duvalier sympathizer—who has met Brown and is a friend of Madsen's—says the pair became acquainted when the commerce secretary worked for Baby Doc. *Haiti Resistance,* a Port-au-Prince newsletter, lists the Madsens as financial backers of the September 1991 coup against President Jean-Bertrand Aristide.

Brown's links to these unsavory characters is especially troubling because administration officials have almost certainly consulted with the commerce secretary about Haiti, a subject on which the government has admitted it has little expertise. Furthermore, with Clinton now pushing Aristide to broaden his government to appease the military, some of Brown's old buddies may find their way back into power. Haitian conservatives have already suggested that Alix Cineas—a former Duvalierist minister and the brother of one of Brown's closest Haitian associates, Fritz Cineas—be named to Aristide's cabinet.

Brown's Haiti connection dates to 1982, the year he agreed to represent the Duvalier dictatorship on behalf of the law firm of Patton, Boggs & Blow. The $150,000 annual contract was signed by Brown and three of Baby Doc's "super ministers," Jean-Robert Estime, Frantz Merceron and Jean-Marie Chanoine. Brown continued to lobby for Baby Doc until shortly before the Duvaliers fell in early 1986.

Much of Brown's early work involved an unsuccessful effort to prevent Fritz Bennett, Baby Doc's brother-in-law, from spending time in an American jail on cocaine trafficking charges. His other central focus was jacking up levels of U.S. aid, which increased from $35 million to $55 million annually during Brown's tenure.

Counterpunch acquired a number of items that shed light on Brown's relationship with Baby Doc's government, including letters he wrote to top Duvalierists and two pleasant color snapshots of Brown and First Lady Michele Bennett Duvalier entertaining American visitors to Haiti. Most interesting of all was a nine-page memorandum from Brown to Baby Doc, detailing his activities on the dictator's behalf. Dated November

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Final Exam at the School for Dictators

This fall Rep. Joe Kennedy (D-MA) introduced an amendment to shut down the School of the Americas, the notorious institution at Ft. Benning, Georgia that has trained more than 50,000 Latin American soldiers and officers. In proposing to kill the S.O.A.'s $3 million annual funding, Kennedy argued that the academy's "history and tradition of abusive graduates" were a barrier to better relations with Latin America.

Kennedy's assault provoked a furious reaction from S.O.A. supporters, who on Sept. 30 mobilized to reject the amendment by a vote of 256 to 174. Rep. Mac Collins (R-GA) told his colleagues that the S.O.A. was a "pioneer in training Latin American soldiers in human rights" and should be evaluated on the basis of its "curriculum, the overall record (of its graduates) and their contribution to the community they serve."

Touting the "contribution" S.O.A. graduates have made to their countries is somewhat ironic, given the School's history. Space limitations prevent a full inventory of community service work performed by alumni, but in El Salvador alone the S.O.A.'s men were involved in the 1980 rape and murder of four U.S. churchwomen, the El Mozote massacre of hundreds of civilians, some whose brains were scooped out, and the murder of Archbishop Oscar Romero. S.O.A. grads—including 38 ministers of defense and state, 71 armed forces commanders and 25 service chiefs—have played, and often continue to play, equally destructive roles in other Latin countries.

Twenty-four alumni, including a number of drug traffickers, dictators and all-around thugs, have been inducted into the S.O.A.'s Hall of Fame. Bolivian tyrant Gen. Hugo Banzer, who seized power in a 1971 U.S.-backed coup, is among the honorees. One of his first acts in office was to offer $115 million in compensation to American companies whose assets had been nationalized by the deposed president—well more than the properties were worth. That must be the sort of thing S.O.A. defender Rep. Robert Livingston (D-LA) had in mind when he told his House colleagues that "relationships created between Latin American military people and the United States military people endures for their lifetimes. Tremendous good flows from their presence in this academy."

The Police Academy's curriculum, Collins's other yardstick, also fails to generate optimism. Human rights training, a sop to critics, became a mandatory component of course work in 1991. The tough nature of the S.O.A.'s human rights material is seen in the 24-question multiple choice exam given to trainees, a copy which was obtained by ***Counterpunch***. A few of the test's questions, translated from the Spanish original, appear below:

1. Your squad has three civilians in its custody, one of whom is a guerilla. Yesterday the enemy murdered a captured member of your squad. Another member of your unit wants to kill one of the civilians to settle the score. The correct action is:
   a. Execute the guerilla in retaliation.
   b. Do not execute anyone, but hold the three civilians as hostages until the enemy stops killing prisoners of war.
   c. Protect the civilians and do not injure any of them.
2. The enemy village is relatively secure, but there have been many attacks against your forces at night. Enemy civilians have taken part in these attacks. What should you do?
   a. Take the mayor as hostage until the attacks cease.
   b. Destroy the homes of civilians in reprisal.
   c. Establish an after-dark curfew and punish anyone who violates it.
   d. Make the town pay a large fine.
3. The squad leader gives an order to cut off the ears of a dead enemy soldier to confirm a body count. You should:
   a. Obey the order but denounce it to your superiors.
   b. Obey the order.
   c. Disobey the order and tell your superiors about the incident.
   d. Order a squad member of lower rank to obey the order.
4. Your squad overtakes a convoy of ambulances. Suddenly, the enemy opens fire on your squad from the ambulances. After the battle you discover that the enemy is using the vehicles to transport ammunition. What should you do?
   a. Begin to use ambulances to transport ammunition since the enemy did it first.
   b. Denounce this violation of the laws of war.
   c. You do not need to denounce it because it is an enemy violation.
   d. Fire on all enemy medical units because they have misused the Red Cross.
5. A captured soldier, who you know has valuable information, refuses to give more than his name, rank, serial number, and date of birth. You should:
   a. Threaten him with physical injury without really hurting him.
   b. Threaten him with physical injury and, if necessary, inflict minor wounds.
   c. Neither threaten nor hurt him.

This is a test that even the most demented criminal could ace, with little need for late night cramming. What's sinister about this farce is that S.O.A. backers point to the benevolent effect of its human rights training in arguing for military aid to Latin thugs—a tactic George Bush successfully deployed in winning congressional funding for the brutal armies of Guatemala and Peru.

When former Panamanian president Jorge Illueja booted the S.O.A. from his country in 1984, he called it "the biggest base for destabilization in Latin America." The Cold War may be over, but the S.O.A.'s human rights charade and its continued training of top Latin military officers make Illueja's description only slightly less apt today.

A copy of the 24-question S.O.A. exam is free for current and new subscribers to ***Counterpunch****, or for $5 to non-subscribers. Send a SASE and allow two weeks for mailing.* •

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Exim Bank Nukes Czech Republic

by Sarah Anderson

With the World Bank and other multilateral lenders under growing public scrutiny, the Export-Import Bank (Exim) has become the lender of last resort for American corporations involved in shady dealings abroad. A government agency which loans money to countries to purchase U.S. exports, the Bank's specialty is propping up the domestic nuclear industry by peddling American-built reactors abroad. It has spent $7.7 billion on this endeavor since 1959, including $275 million in the past four years.

The Exim's latest scheme centers on the Temelin nuclear power plant in the Czech Republic. Prague has reached an agreement with Westinghouse Electric to complete and upgrade the Soviet-designed plant, where work has been stalled since the "Velvet Revolution" of 1990. With the Czechs short on cash, Westinghouse asked for financial support from the Exim, which quickly gave its preliminary approval. The Bank is now reportedly set to loan Prague about $300 million, most of which will be in the form of a loan guarantee from Citicorp. That means that if the Czechs default, Exim will repay Citicorp with taxpayer dollars.

Exim's appeal, from the corporate perspective, is that it does not require the rigorous environmental assessment now demanded by most multilateral lenders and U.S. agencies such as the A.I.D. That process can take years to complete and requires volumes of supporting documentation. Exim asks only for a four-page "environmental review," which has no bearing on project approval.

That's especially attractive in the case of Temelin, whose reactors are considered dangerous and inherently flawed by European and American nuclear authorities. The plant also has serious problems with its emergency cooling system as well as a faulty steam generator. And while this would be the first experiment in fusing Soviet and Western nuclear technology—Bonn halted work on similar reactors in Eastern Germany because they could not be brought up to international standards—none of the parties involved have obtained an independent technical safety analysis. "No one would complete this plant if it were in the U.S....or any Western country," says Czech Greenpeace activist Petr Hlobil. "It's not right that the U.S. government is trying to push this project on us."

What makes Temelin even more outrageous is that the Czechs have no true need for the plant. The World Bank, which rejected a loan for the project, concluded that the country already has sufficient energy stocks and would need to shut down coal-fired plants unless Temelin's power were exported.

Warren Hollinshead, Westinghouse's Chief Financial Officer, portrays the Temelin boondoggle as a humanitarian gesture. "I don't consider this project controversial," says Hollinshead, who until early December chaired Exim's non-voting private advisory committee. "We're going to help the Czech people by making the plant safer." However, Westinghouse clearly recognizes the potential danger of upgrading Soviet-designed plants, having recently declared that it won't perform such work in Russia unless it is shielded from liability for any future disaster.

The trio of actors involved in the Temelin scandal played the same roles—Exim as financier, Citicorp as banker and Westinghouse as exporter—in building the Bataan nuclear plant, a virtually identical swindle inflicted on the Philippines. Westinghouse originally estimated that that project would cost $500 million, but the final bill topped $1.2 billion. The plant was built near an active volcano and is too dangerous to activate. Despite having never generated a single kilowatt of energy, the Philippines is paying $300,000 a day in interest on the Exim loan that funded the project.

The Bataan contract was signed when Ferdinand Marcos was still in power. Though never proven, Filipinos charged that Citicorp and Westinghouse paid the dictator $18 million in bribes to obtain the deal. The same scent of corruption lingers about Temelin, with a Westinghouse official having told an Austrian legislator that the company made a hefty contribution to the 1992 campaign of Czech Prime Minister Vaclav Klaus, whose government doled out the nuke contract.

The only remaining obstacle to the deal is Rep. Barney Frank (D-MA), chair of the House subcommittee that votes on major Exim projects. Last month he warned Bank President Kenneth Brody that the subcommittee would bar approval for Temelin if the project did not meet U.S. health, safety and environmental standards. If Frank backs down, the Czechs are likely to find themselves saddled with a new Bataan while the Exim chalks up another balance sheet success story. •

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Brown, from p. 1

1983 and written in French on Patton, Boggs & Blow letterhead, the memorandum does not at all bolster the commerce secretary's contention that he hoped his work in Haiti would do "more good than harm." Not once did Brown refer to the dictator's notorious human rights record. Instead, he blamed "Monsieur le President's" problems on an "unfair image" created by the U.S. media. As to his efforts on Haiti's behalf, Brown wrote that "we continue to dedicate a considerable amount of time to the improvement of relations between the Republic of Haiti and members of congress and the American government, with the goal of substantially increasing American aid to Haiti." Early success in this regard, crowed Brown, "is essentially the result of our Washington team."

Brown also informed Baby Doc that he was looking after Haiti's "long-term interests" by maintaining "good relations" with leading American political figures: "While we have always enjoyed excellent relations with the government of President Reagan, we have also established personal contacts with almost all the Democratic candidates in order to ensure that we continue to have access to the White House regardless of who wins the presidential election in 1984." Brown boasted that his leading role in the Democratic National Committee "has served us in these efforts, while a certain number of my colleagues in the Republican Party assure the permanence of our access and the excellence of our relations with the government of President Reagan."

Brown's business relationships with key Duvalierists often blossomed into full-fledged friendships, ***Counterpunch***'s sources say. The commerce secretary is said to have been especially close to two men who signed the Patton, Boggs & Blow contract, Finance Minister Merceron and Foreign Affairs Minister Estime. The former, now living comfortably in Paris, was one of the most corrupt of Baby Doc's officials. In her book *Haiti*, Elizabeth Abbott says the former finance minister kept "the Duvaliers in cash as well as stealing millions for himself." Much of the money ripped off was the U.S. aid Brown lobbied so hard to keep flowing through the pipeline. Estime, who now reportedly works as a consultant in Africa, was the regime's chief human rights apologist.

The commerce secretary also became tight with Fritz Cineas, Haiti's former ambassador to the U.S. According to the right-wing newspaper *Haiti Observateur,* Cineas joined Merceron and Estime at a June 1989 strategy meeting Baby Doc's supporters held in Washington. The following year Cineas joined other hardliners in signing a call for a National Convention of Duvalierists.

Brown has reportedly maintained his friendships with Estime and the former ambassador. Cineas, who now lives in the Washington suburbs, refused a request for an interview, saying he was preparing to travel to Haiti.

Even clearer evidence of the commerce secretary's attachment to the Duvalier regime has emerged with the recent allegations that Brown sought $700,000 to help lift the trade embargo against Vietnam. Brown's accuser, Vietnamese businessman Ly Thanh Binh, says that his colleague Nguyen Van Hao met with Brown on several occasions to discuss the deal. The commerce secretary, who first denied he had ever met Hao, now concedes that three encounters took place but still maintains he did not seek money from Hao or agree to push for suspension of the trade embargo (which in itself is a worthy cause).

Binh has produced no smoking gun, but it is known that the encounters with Hao were arranged and attended by Lillian Madsen and her brother-in-law, Marc "Butch" Ashton, another longtime friend of the commerce secretary's.

Ashton was a financial advisor to Baby Doc, which, in ethical terms, is roughly equal to having counseled Salvadoran death squad leader Roberto d'Aubuisson on respect for human rights. A large landholder and owner of Haiti Citrus, a lime exporter, Ashton allegedly used a squad of 40 Ton Ton Macoutes to guard his properties. Poor farmers who leased their land to Haiti Citrus say they were intimidated and tortured by Ashton's thugs when they tried to get better terms.

Madsen (nee Riviera), who worked as a receptionist at the U.S. embassy in Port-au-Prince, married into one of Haiti's wealthiest and most conservative families. Several sources, including her friend, say Madsen travelled in the highest circles of Baby Doc's regime. She is said to have been especially close to Michele Bennett, Fritz Cineas and several top Duvalierist ministers. Madsen, who is estranged from her Hatian husband, now lives in a $360,000 Washington townhouse at 4303 Westover Place. The home was purchased in 1992 by Brown and his son, D.C. lobbyist Michael Brown.

Brown's press office did not return phone calls or respond to a faxed questionnaire.

Reached by phone, Madsen said she had met Fritz Cineas but denied knowing him well. She also denied knowing Baby Doc's wife or other Duvalierists.

However, ***Counterpunch***'s sources stood by their assertions. That includes Madsen's friend, who said Brown's companion was one of "many people who liked to talk about their relationship with Michele (when the Duvaliers were in power) but no longer do so."

Not surprisingly, pro-Aristide Haitian exiles don't trust the commerce secretary. "All of Brown's connections are with people who have actively worked against the Haitian people and democracy," said one. "He is a very negative influence." Just as Aristide's backers are wary, the commerce secretary's pro-Duvalier pals are reassured by his cabinet status. Asked if his old companions don't see Brown's working for Clinton as a conflict of interest, the friend of Madsen's (who is also on good terms with Fritz Cineas) told Counterpunch, "Of course. But they presume he's not encouraging Aristide's return." •

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